

## Message Text

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53

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 FSE-00 ABF-01 CIAE-00 INR-10

NSAE-00 RSC-01 COME-00 FRB-02 TRSE-00 XMB-07 OMB-01

SS-20 H-03 NSC-10 DRC-01 ( ISO ) W

----- 011961

R 031723Z JAN 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9512

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS BONN 0126

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: POEHL ON DM/\$ RATE.

1. ACCORDING TO A DPA REPORT, STATE SECRETARY POEHL OF THE FRG FINANCE MINISTRY SAID THAT THE DE FACTO REVALUATION OF THE DM DURING 1973 HAD SHIELDED THE FRG FROM INFLATION IN OTHER COUNTRIES.

2. HE WARNED, THOUGH, THAT A SERIES OF COMPETITIVE DEVALUATIONS, SIMILAR TO THE SITUATION IN THE 1930'S COULD ARISE IF THERE WERE A GENERAL WORLD ECONOMIC DOWNTURN. THE FRG, GIVEN ITS LARGE ROLE IN WORLD TRADE, CANNOT SET A BAD EXAMPLE BY DEVALUING THE DM. HE ALSO STATED THAT THE FRG DOES NOT CONSIDER A FURTHER DECLINE IN THE DM EXCHANGE RATE TO BE DESIRABLE.

3. POEHL SAID THAT ALTHOUGH THE DM WAS BELOW ITS COMPUTED DOLLAR CENTRAL RATE, HE DOES NOT FEEL THAT A QUICK RETURN TO FIXED EXCHANGE RATES IS POSSIBLE NOR SENSIBLE.

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4. CONFIRMATION OF THE REPORT HAS NOT BEEN POSSIBLE  
SINCE POEHL AND HIS STAFF ASSISTANTS ARE VACATIONING  
OUTSIDE OF BONN.

5. THE FIXING RATE TODAY WAS DM 2.7830/\$. HILLENBRAND

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, ECONOMIC STABILITY, FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BONN00126  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
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**Film Number:** n/a  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740165/aaaacjfq.tel  
**Line Count:** 66  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Comment:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POEHL ON DM/\$ RATE.  
**TAGS:** EFIN, GE  
**To:** STATE  
**Type:** TE  
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